

# KEMI-TORNIO UNIVERSITY OF APPLIED SCIENCES

## Developing a Strategic Marketing Plan in the French Market Case: A Chinese company in the French Stevia Market

ChenYuren

Bachelor's thesis of the Degree Programme in Business Administration

Bachelor Degree of Business Administration

TORNIO 2011

**ABSTRACT:**

ChenYuren 2011. Developing a Strategic Marketing Plan in the French Market. Case: A Chinese company in the French Stevia market. Kemi-Tornio University of Applied Sciences. Business and Culture. Pages 54. Appendices 2.

The objective of the thesis is to develop a strategic marketing plan for a Chinese case company in the French Stevia market. The elements of this strategic marketing plan and the analyses of the French Stevia market are the major parts of the thesis. This strategic marketing plan will help the case company to develop its French market.

The thesis uses both qualitative and quantitative methods. Interviews, questionnaires and my personal experience in the case company are the major information sources. The theoretical framework describe the definitions and significances of strategic marketing plan, including internal analysis, market analysis, customer analysis, competitor analysis, SWOT analysis and market objectives. A detailed customer analysis is conducted based on the questionnaires distributed in the Anuga fair.

The result of the thesis is a strategic marketing plan based on the analysis of the case company and the French Stevia company. This strategic marketing plan will be monitored by monitoring and evaluation indicator. Another finding of the study is the characteristics of customer behavior and motivation related to Stevia and other sweeteners.

Key words: Stevia industry, food additives industry, French market, strategic marketing plan

## CONTENTS

1	INTRODUCTION .....	5
1.1	Background and motivation .....	5
1.2	Product introduction.....	6
1.3	Research objective and questions.....	7
1.4	Research method .....	8
1.5	Structure of the study .....	9
2	STRATEGIC MARKETING PLAN.....	10
2.1	Definition of strategic marketing plan .....	10
2.2	Elements of strategic marketing plan.....	12
2.2.1	Internal analysis .....	12
2.2.2	Market analysis .....	15
2.2.3	Customer analysis .....	16
2.2.4	Competitor analysis.....	17
2.2.5	SWOT analysis .....	18
2.2.6	Market objectives .....	19
2.3	Designing strategic marketing plan.....	19
2.4	Monitoring and evaluation .....	20
3	RESEARCH METHODOLOGY .....	22
3.1	Data collection and source criticism .....	22
3.2	Research Method.....	23
4	ANALYSIS AND RESULTS OF STEVIA IN THE FRENCH MARKET .....	24
4.1	Characteristics of Stevia.....	24
4.2	Market analysis .....	25

4.3 Customer analysis and result.....	27
4.3.1 Awareness of Stevia .....	27
4.3.2 Acceptance of Stevia .....	29
4.3.3 Degree of satisfaction.....	30
4.3.4 Purchasing intention.....	31
4.3.5 Statistics for comparison .....	33
4.4 Competitors analysis and result .....	34
 5 DEVELOPING A STRATEGIC MARKETING PLAN FOR THE CASE COMPANY IN THE FRENCH STEVIA MARKET.....	38
5.1 Current situation.....	38
5.2 Internal analysis of the case company.....	39
5.3 SWOT analysis.....	40
5.4 Market objectives .....	43
5.5 Strategic marketing plan developed for the case company .....	44
 6 CONCLUSION .....	46
6.1 Conclusion .....	46
6.2 Limitations .....	48
6.3 Suggestions for future research .....	49
 REFERENCES.....	50

## APPENDICES 1-2

## 1 INTRODUCTION

Stevia is a sweetness rich and zero-caloric sweetener. While the place of origin of Stevia plant is South America, Stevia has been developed in China since the 1970s. In the 1980s, Japanese consumers began to accept the new sweetener which has zero calories and has the special taste. The business of Stevia production increased significantly when the Japanese market demand was growing. Thus, the Chinese government began to work on how to create a more mature Stevia market in China. (Mowry 1992.) Therefore, Ganzhou Julong High-tech Industrial Co., Ltd (henceforth JL Stevia) was established in 2002. 2011 is an important year for the case company because of JL Stevia wanted to hit the market in France. The purpose of my thesis is to help the company find the direction before they enter the new market.

### 1.1 Background and motivation

Today, people especially Western country people have problems with their weight and health because they eat too much cane sugar. In order to meet the needs of people pursuing a healthy life, zero caloric sweeteners have been invented by different groups of scientists, such as Aspartame, Acesulfame-K, and Neotame. However, the markedly different from other sweeteners, Stevia is natural product. Therefore, Stevia will be acceptable in the EU or the USA. My personal involvement in JL Stevia, i.e. the case company in this work is a strong motivational factor in the writing of the thesis. Specifically, I worked at the company as an internship in the summer of 2011. In addition, a lot of the data used in this work is originating from my own personal experience, observations, and communications while working for this company.

In France, the state approved Stevia as a food ingredient in 2009. French consumers learned to know the new sweetener in 2009. However, Stevia has already established itself as a significant sweetener in the French market. Accounting for 4.5 percent of new

product had used Stevia to substitute for cane sugar. Moreover, attracted by its natural, low calorie content, food manufacturers across the industry are turning to Stevia. Thus, Stevia had lead in the way of snacks and non-alcoholic drinks. From 2005 to 2009, accounting for 38.5 percent of the food used Stevia as sweeteners are snacks and non-alcoholic drinks, and soft drink in the second place which reached 30.4 percent. (Guy 2011.)

As the biggest export country, China accounted for eighty percent of world Stevia exports to global in 2008 (Herbridge 2008). The case company is interested in big European countries such as France. At the same time, other Chinese Stevia producers are also interested in the EU market. Thus, the new competition will start in the EU market.

Case company – Ganzhou Julong High-tech Industrial Co., Ltd is manufacturing Stevia. JL Stevia has a modernization extraction workshop, and a research development center. At present, JL Stevia has high-grade standard facilities and is regarded as an established Stevia manufacturer. The registered capital was RMB 220 million and the total investment is RMB 980 million, and total area is 29.6 acres in 2009. JL Stevia has control over the all processes of raw materials and manufacturing. They aim to manage, and develop their applications to satisfy an increasing number of customers. (JL Stevia 2010.)

## 1.2 Product introduction

As a new sweetener compared with cane sugar and aspartame, Stevia is natural and zero caloric. Stevia is an extract from a Stevia plant growing in China and South America. It is a sweetener with high sweetness content, and Stevia is 200 times to 400 times sweeter compared with cane sugar. (JL Stevia, 2010.) There are several merits that can make people choose Stevia. The first merit is its good stability, since Stevia is heat resistant and acid. Secondly, Stevia is non-fermentable and difficult to mould. Therefore, Stevia can be used in almost all kind of foods and medicines as an ingredient. It can replace cane sugar

in order to decrease the caloric of the product. As a new and good sweetener, Stevia has their market demand in the EU.

### 1.3 Research objective and questions

Stevia is a new sweetener for the whole Europe. Compared with Aspartame and Sucralose, the natural sweetener Stevia has met the current human demand for food healthy food ingredient. I decided to develop a strategic marketing plan for the French market in order to meet the research objectives of the thesis.

The research questions in this work are as follows:

1. What is the current situation of the Stevia market in France for the case company?

When answering this question, it is important to conduct market researches in France to acquire the latest first-hand information. Furthermore, interviewing managers from the case company will also provide a good view of the market situation at the same time considering the strengths and weaknesses of the company.

2. What are the factors impacting on the development of the Stevia business in France?

To answer this question, theoretical knowledge serves as a base for the analysis of the Stevia market situation in France. The actual factors that impede the development of Stevia in France will be discussed in the questionnaire analysis section in the thesis. The answers to the second research question are based on the current situation of Stevia in France and the analysis of the Stevia market in the theoretical part.

3. What are the main challenges the case company may face when implementing the

strategic marketing plan in France?

The main challenges when implementing the strategic marketing plan should also be considered in the thesis. When implementing a strategic marketing plan in different situation, it may happen that a plan B needs to be taken to use. Based on a valid theoretical foundation and sufficient market research, the marketing plan will be a real plan which can be put into practice.

#### 1.4 Research method

The objective of the thesis is to find out a solution to build a strategic marketing plan for JL Stevia. In this thesis, a marketing research conducted will support to design a strategic marketing plan for the case company by an overview of the Stevia market.

In order to accomplish the objective of my research, both qualitative and quantitative methods are used in my research. These two research methods are required for my study for the following reasons. On the one hand, they help me to get information about the French Stevia market and get to know the supply and demand in the market. On the other hand, with both methods I can better find the factors that affect the food additives industry market than if I only used one of the methods.

As for the qualitative method, it is a method for multi focus involving an interpretive, naturalistic approach to its subject matter (Denzin & Lincoln 1994). This method is used in a form of interviewing the managers in the case company so as to get varied insights into the case company and the industry.

Quantitative research can provide precise data which is beneficial to the market analysis and planning. Since Stevia is a new product, there is not ample data to be found at the websites or from other sources. Thus, the survey using this method focuses on finding



out a certain numbers of target customers and summarizing the demand at the market. 100 questionnaires were distributed to French businessmen and consumers. After their tasting of the sample of Stevia during the Anuga fair, the respondents give objective evaluation of Stevia. The information of the situation of Stevia market in France is very important for the research. It will not only help the strategic marketing planning, but also serves a convincing evidence to support my suggestion to the case company.

### 1.5 Structure of the study

This thesis is divided to six chapters. Chapter two focuses on the theory part and describes strategic marketing plan. Chapter three discusses the research methodology. The background and current situation of Stevia in France as well as the customer and competitor analysis are dealt with in chapter four. Chapter five details the strategic marketing plan for the case company. Finally, the conclusion chapter is in chapter six.

## 2 STRATEGIC MARKETING PLAN

In this chapter, first in the focus is demonstrate the definition of strategic marketing plan, then present elements of marketing strategic plan, including internal analysis, market analysis, customer analysis, competitor analysis, as well as market objectives. It is also discussed how to design a strategic marketing plan, and finally how to do the monitoring and evaluation.

According to Philip Kotler (2009), marketing is concerning satisfied consumers' needs and wants. Thus, marketing strategy of a company should also focus on the needs and wants which the company plan to fulfill. Furthermore, another key component of strategic marketing plan is often to keep marketing in line with a company's overarching mission statement (Baker 2008, 3). To be more specific, strategic marketing plan is based on careful scanning of the internal and external environments (Hausman 2011).

Thus, in order to make a good strategic marketing plan, a company should keep in mind its long-term goals and be aware of the internal and external environment all the time. Internal environmental factors include the marketing mix, resources analysis, function analysis and strategic constraints. In addition, external environmental factors include customer analysis, competitor analysis, target market analysis, as well as evaluation of the macro environment likely to impact success. (Aaker 2001, 56.) The discussion above leads me to build up a good analysis of market situation before make the strategic marketing plan.

### 2.1 Definition of strategic marketing plan

Strategic marketing plan is the planning of marketing logic by which the business unit wants to achieve its marketing objectives. (Kotler & Armstrong 2006, 46.) In other word, "a strategic marketing plan is also a process or model planning to allow a company or

organization to focus its limited resources on the best opportunities to increase sales and achieve a sustainable competitive advantage.” (Baker 2008, 3.) Marketing strategy should be shaped by the overall business goals. It is supposed to definition of business, the description of products or services, a profile of target users or customers, and the definition of a company's role considering the market competition. It is essentially a document that organizations use to judge the appropriateness and effectiveness of their specific marketing plans. (Ward 2007.) A strategic marketing plan also lays out the target markets and the value proposition the firm will offer, based on the combination of the its own strengths and the best market opportunities (Kotler & Keller, 2007, 80).

Figure 1 which is devised for the purpose of this work illustrates the position of marketing strategy in the process of making specific marketing plans. Marketing strategy acts as a bridge between the business goals and marketing mix, giving a significant direction for the specific marketing plans’ design and implementation.



**Figure 1.** The position of marketing strategy in the process of making specific marketing plans

The purpose of strategic marketing plan is to improve a company's performance through marketing promotion. Specifically, strategic marketing goals can be divided into market

share goals, growth goals etc. There are six elements of strategic marketing plan: internal analysis, market analysis, customer analysis, competitor analysis, SWOT analysis and market objectives. With these analyses, the company can identify its market position and be clear about its internal and external environment. As a short summary, strategic marketing plan is a summary of a company's products and position in relation to the competition and business goal.

## 2.2 Elements of strategic marketing plan

In the thesis, the elements of strategic marketing plan are divided into six parts in order to get the whole scene of the company and the market. As was presented in 2.1, the six elements are internal analysis, market analysis, customer analysis, competitor analysis, SWOT analysis and market objectives. Internal analysis is focuses on the strengths and weaknesses of an organization such as finance, operation, marketing and manufacturing. Market analysis focuses more on technical economic environment of a specific industry. The customer analysis is about the psychology and behaviors of target customers. In competitor analysis, the structure of industry and competitive level will be studied. SWOT analysis is conducted as the overall evaluation of the four analyses above and relevant to the market objectives. Each of these analyses has its particular emphasis and all of them help to the design of strategic marketing plan.

### 2.2.1 Internal analysis

The internal analysis focuses on detailed internal factors that give an organization certain advantages and disadvantages in meeting the needs of its target market. (My Strategic Plan 2010.) The internal factors may be viewed as strengths or weaknesses depending on their different effects on the organization's specific objectives. What are strengths for one objective can be weaknesses for another objective in the same organization.

Internal analysis is based on the resources and abilities of an organization. The resources can be divided into tangible and intangible. The specific resources and their main characteristics are illustrated in Table 1

**Table 1.** Internal analysis based on resources (My Strategic Plan 2010)

RESOURCE	MAIN CHARACTERISTICS
<b>Tangible</b>	
Financial	The firm's borrowing capacity ,its internal funds generation ability, and its capacity to weather fluctuations in demand and profits overtime
Physical	The physical resources related to plant, equipment, assets, technology and raw materials
<b>Intangible</b>	
Technological	Stock of technology in forms of proprietary technology (copyright, patents, trade secrets) and expertise in the application of technology (know-how)
Reputation	Reputation with customers through the ownership of brands, established relationships with customers, reputation of products and services.
	Reputation of the company with suppliers, employees, government and the community.
Human Resources	The training and expertise of employees determine the skills available to the firm.
	The adaptability of employees determines key aspects of strategic flexibility of the firm.
	The commitment and loyalty of employees determines the capacity of the firm to attain and maintain competitive advantage.

Resources can be fully utilized only when they collaborate closely and communicate efficiently within different departments. Organizational ability refers to the organization's capacity for undertaking a particular productive activity. The table 2 shows the functional classification approach that will be used in order to identify the firm's capabilities. The analysis based on functional classification identifies organizational

capabilities in relation to each of the main functional areas. (My Strategic Plan 2010.)

**Table 2.** Internal analysis based on capabilities (My Strategic Plan 2010)

Functional Area	Capability
Corporate	Financial management
	Expertise in strategic control
	Effectiveness in motivating and coordinating business units
	Management of partnerships
	Overall company management/ resource management
Research & Development	Capability in basic research Innovation of new products
Manufacturing	Production capacity
Marketing	Brand management and promotion
	Understand of and responsiveness to market trends
Sales & Fulfillment	Effectiveness in promoting and executing sales
	Efficiency and speed of fulfillment
	Quality and effectiveness of customer service

Figure 2 shows the processes to reach competitive advantage which is closely related to internal analysis. Internal analysis can help organizations to find out and develop their capabilities, resources, and core competencies, all of these will lead to distinctive organizational capabilities and competitive advantage.

## The Road to Competitive Advantage



**Figure 2.** The road to competitive advantage (Holden 2002)

To sum up, internal analysis is a process of identifying the strengths and weaknesses of the business unit in order to meeting the needs of the target market. It is an important step to gain competitive advantages and the basis of strategic marketing planning. The internal analysis of JL Stevia will be present in 5.2.

### 2.2.2 Market analysis

A market analysis can be conducted in different dimensions, including market segmentation, market size, market growth rate, market profitability, industry cost structure etc. To be more specific, market segmentation is to divide a market into different groups of consumers who share similar needs in each group. Market segmentation make companies to offer particular market mix for a specific group of consumers. Successful market segmentation has the difference of measurable, accessible and sustainable.

Market size is a measurement of the total volume and potential of a given market. It is usually measured through quantitative indicators, among which sales turnover is most widely used. As for market growth rate, it is usually calculated using the historical data together with forecasting. Market growth rate is an indicator used when evaluating the performance of a certain product in a particular market. Market profitability is highly dependent on industry and is often measured by financial indicators such as gross margin and net profit. The industry cost structure can be used to identify where value is added and how to isolate the costs, which is helpful for designing strategies to develop a competitive advantage. (Aaker & McLoughlin 2010.) The discussion above helps me to see the importance of market analysis. The French Stevia market analysis can be seen at 4.2.

### 2.2.3 Customer analysis

“Customer analysis is a process of determining customer value, purchasing behavior and motivation in order to better target marketing and increase sales”. (Bright 2008.) All customers are equal. According to the Pareto's Law, the top 20 percent of customers are the lifeblood of a business and contribute 80 percent of the turnover or profit. Thus, it is of great significance to identify the categories of different customers and then to manage them accordingly. (Admin, 2011.)

Table 3 presents the black box model which shows the interaction of stimuli, consumer characteristics, and decision process and consumer responses. It can be distinguished between interpersonal stimuli (between people) or intrapersonal stimuli (within people). (Sandhusen 2000, 219). The detailed customer analysis in French Stevia market is illustrated in 4.3.

**Table 3.** Black box model of consumer behavior (Richard L. Sandhusen)

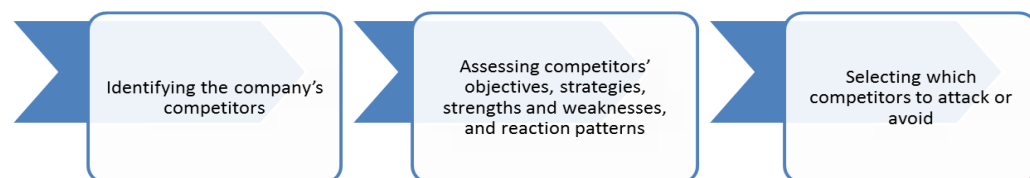


ENVIRONMENTAL FACTORS		BUYER'S BLACK BOX		BUYER'S RESPONSE
Marketing Stimuli	Environmental Stimuli	Buyer Characteristics	Decision Process	
Product	Economic	Attitudes	Problem recognition	Product choice
Price	Technological	Motivation	Information search	Brand choice
Place	Political	Perceptions	Alternative evaluation	Dealer choice
Promotion	Cultural	Personality	Purchase decision	Purchase timing
	Demographic	Lifestyle	Post-purchase behaviour	Purchase amount
	Natural	Knowledge		

#### 2.2.4 Competitor analysis

In order to have an effective marketing strategic plan, a company should try best to find out information about its competitors. It needs to constantly compare its marketing strategies, products, prices, channels, and promotions with those of close competitors. Through these comparisons the company will be able to find areas of potential competitive advantage and disadvantage. (Kotler & Armstrong 2006, 527.)

Figure 3 presents that competitor analysis consists of three major steps (Kotler & Armstrong 2006, 527). The first step involves identifying the company's competitors, and then assessing them in specific aspects and finally selecting which competitors to attack or avoid. The specific competitor analysis of the case company is conducted in 4.4.



**Figure 3.** Steps in analyzing competitors (Kotler & Armstrong 2006, 527)

As for identifying competitors, generally companies should know a wider range of present and potential competitors than they usually know. “One approach is to profile the company’s direct and indirect competitors by mapping the steps buyers take in obtaining and using the product.” (Rayport & Jaworski 2001, 53.) Specifically, generally companies need to understand competitors’ objectives, identify competitors’ strategies, assessing competitors’ strengths and weaknesses and forecast competitors’ reactions. The final step is select competitors to attack and avoid. Actually, a company has already selected its major competitors through prior decisions on the previous strategy steps. The aim of the last step is to decide which competitors to compete against most vigorously. (Kotler & Armstrong 2006, 529-531.) The discussion above supports my competitor analysis in chapter 4.4.

#### 2.2.5 SWOT analysis

SWOT analysis is the overall evaluation of a company’s strengths, weaknesses, opportunities, and threats. It is a way of monitoring the internal and external marketing environment and is the most used tool in strategic planning. (Kotler & Keller 2009, 89). SWOT can help management in a company discover what they do better than the competitors, whether the business is using the opportunities available and how a business should respond to its external environment changes. (Tutor2u 2010.) The SWOT analysis for the case company’s development in the French Stevia market will be presented in 5.3.

One way to use SWOT is to match and convert. Match help to finding competitive advantages by matching the strengths to opportunities. Converting refers to apply conversion strategies to convert weaknesses or threats into strengths or opportunities. If the threats or weaknesses are difficult to be converted, a company should try to minimize or avoid them. (Mehta 2000.) These two processes can be illustrated by Figure 4.



**Figure 4.** Match and convert in SWOT

Summarized, the discussion of SWOT analysis shows the importance of SWOT analysis. Learn to how to change and match SWOT analysis can helps build up a good strategic marketing plan.

#### 2.2.6 Market objectives

Marketing objectives define what a company wants to accomplish through its marketing activities. There are five factors to be considered when designing effective marketing objectives. When setting objectives it is important to ensure that the objectives are specific, measurable, achievable, and realistic and time specific, that is, “SMART” for short. The "SMART" approach enables companies to manage their marketing activities effectively, determine how successful they have been. (NSW Government 2010.) The first year market objectives of JL Stevia will be devised in chapter 5.4.

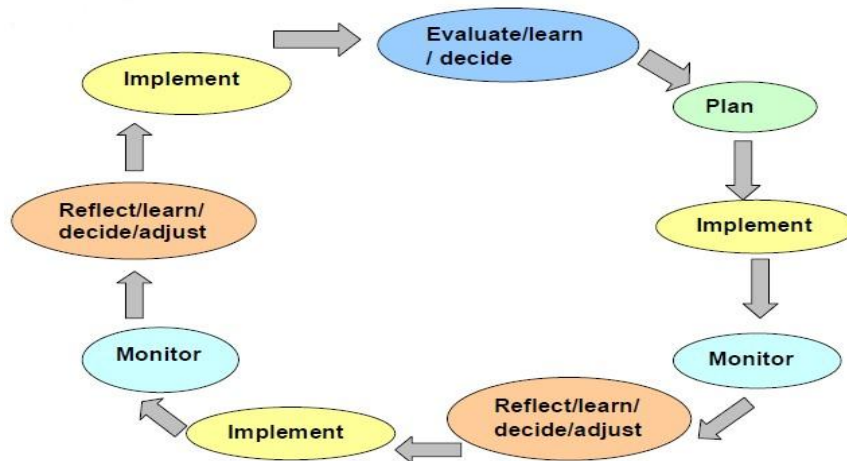
#### 2.3 Designing strategic marketing plan

Designing the right strategic marketing plan in the long term requires discipline and flexibility. Firms must stick to one strategy but also find new ways to constantly improve it. Moreover, firms also need to develop strategic marketing plans for a range of products and services within the organization. (Kotler & Keller 2009, 73.) To guarantee the quality of strategic marketing plan, four elements are to taken into consideration. They are internal analysis, market analysis, customer analysis and competitor analysis. With the result of analyses above, companies will gain a better view of itself and the market. It is also make the strategic marketing plan with comprehensive data and market researches.

#### 2.4 Monitoring and evaluation

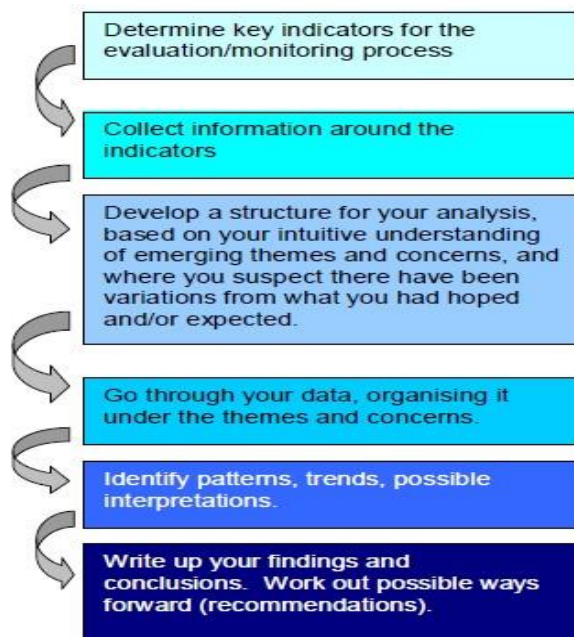
Monitoring and evaluation are the key point to implementing a strategic marketing plan. First of all, it monitors the performance of a company and makes sure it follows its objectives. Secondly, it gives feedback to the business activities which was conducted before and also affects future plans. Part 5.5 will give a suggested monitoring and evaluation plan for the case company in the French Stevia market.

Monitoring is a continuous systematic process of collecting and analyzing information by means of devising indicators (WIOMSA 2010). It aims at improving the efficiency and effectiveness of marketing and productive activities (Janet Shapiro 2007). Figure 5 shows the role of monitoring and evaluation in the making marketing plan.



**Figure 5.**Monitoring and evaluation (Janet Shapiro 2007)

Evaluation is the comparison of the activity effects against the agreed strategic plans. It evaluates the processes of what you set out to do, what you have accomplished, and how you accomplished it. (Janet Shapiro 2007.) The Figure below illustrates the steps of evaluation. To sum up, the process of evaluation and the importance of monitoring and evaluation shows that how and why need to do the monitoring and evaluation.



**Figure 6.** The process of evaluation (Janet Shapiro 2007)

### 3 RESEARCH METHODOLOGY

The major objective of market research in the thesis is to get an overview of the current Stevia market in France. In this chapter, it first discusses the reliability of the data collected, and then present the research method used in the marketing research. In addition, the specific analyses and results of the research will be presented in next chapter.

#### 3.1 Data collection and source criticism

The data that will be used in later chapters was collected from the questionnaire survey in Anuga fair which was held in Cologne Germany in 2011. The target group is professional businessmen from France in the food additives industry. They understand the Stevia better than normal French people. Firstly, the awareness of Stevia among these specific respondents are supposed to be higher than average, making some conclusions overly optimistic. Secondly, with better understand and bigger power in the food additives industry, their opinions reflects the future trend better. One thing that also needs to notice is that in the situation of business exhibition, the respondents are more likely to give positive feedbacks considering the business relationship and future corporation with the case company.

Furthermore, there are other sources of information in this chapter is support the analysis, such as official websites of organizations related to food additives industry and interviews with managers of the case company. Since the organizations or companies of course want to give the most positive image possible for them. The reliability of data must be also questioned even though the websites are mainly official. Thus, the information might be a little biased to their advantage. It is also important to remember that the companies and organizations can choose what to publish on their websites. The organizations and companies trying to push the use of Stevia, it is possible make them publish positive news

and leave the negative ones unpublished. I have tried to take this into consideration in the thesis, the fact that the information I found is probably not the absolute truth.

### 3.2 Research Method

In subchapter 1.4, I mentioned the research methods in the thesis are qualitative and quantitative methods. The data and information was got through two interviews and a questionnaire. Specifically, firstly I got the main information about the Stevia market at present time by some websites on the Internet. Moreover, in order to gather the information of market situation of Stevia and the case company. I also interviewed the general manager and the marketing manager of the case company. In addition, I did a market research by questionnaire in Anuga fair which was held in Cologne Germany in 2011. The target group is professional businessmen from France in the food additives industry. Their opinions and preference on Stevia can represent the French market better because of their market experience. Thus, in order to collect the data and information of consumers' awareness and acceptance of Stevia in France. The 100 questionnaires were distributed to those professional businessmen after tasting the Stevia produced by the case company.

## 4 ANALYSIS AND RESULTS OF STEVIA IN THE FRENCH MARKET

In this chapter, the characteristics of Stevia will be described at first. Secondly, I will conduct a market analysis of the French Stevia market. Thirdly, based on the questionnaire distributed in the Anuga fair, I will present a customer analysis in the French market. Finally, an interview analysis focused on competitors will be the last part of this chapter.

### 4.1 Characteristics of Stevia

Stevia is a natural sweetener extracted from Stevia leaf, a kind of composite herb. It is a kind of high-sweetness, zero-caloric natural sweeteners and has been proved to be no toxic side effect through lots of experiments and tests. Stevia has a poor heat resistance; it is very stable and easy to store in an environment of pH 3 ~ 10.

Stevia has three main advantages: natural, healthy, high-sweetness. First of all, Stevia is extracted directly from Stevia leaf without any chemical reaction in later processes. According this natural guarantee, Stevia has the potential to be the substitutes for cane sugar which other sweeteners cannot possibly do. Secondly, Stevia is zero-caloric and healthy. When Stevia are used in drinks and foods instead of cane sugar, people will not increase weight as easily as before. Therefore, foods with Stevia as sweeteners are particularly suitable for obesity, diabetes, high blood pressure and dental caries. A large quantity of different experiments has proved Stevia to be nontoxic. Besides, origin residents have been eating Stevia for hundreds of years, and no toxic has been found. The third advantage of Stevia is its high sweetness. That means in order to maintain the same sweetness, much less Stevia than sugar needs to be used. It means significantly decrease the costs of material for food manufacturer.



There are also some disadvantages of Stevia. Specifically, the major drawback is the bitter taste of Stevia after the sweet taste. More detailed information about customer feeling of this bitter taste can be seen in 4.3 of the thesis. Secondly, the sweet taste of Stevia is considered to be “thinner” than sugar and other sweeteners. This drawback put some limitations to the application of Stevia for products with high quality demands. Thirdly, Stevia is white powder and tends to mix in the air in using process.

Summarized, the needs of natural and healthy sweeteners are the main motivation for Stevia to substitute sugar in foods and drinks. In addition, the fact that companies are always pursuing cost minimization is another motivation of use Stevia in the food industry. Although having some drawbacks, Stevia is still a good sweetener substitute for sugar at present.

#### 4.2 Market analysis

The development of the Stevia market in France can be divided into three stages: prohibition in the whole EU, test, and approval.

The first stage is from 2000 to August of 2009. In 2000, the European Commission banned the use of Stevia as food additives for the lacking of scientific researches of Stevia. Actually, there were some negative reports of Stevia at that time, saying Stevia would cause prostate cancer and some other diseases. Later, it turned out that the former reports of Stevia are unreal. In 2004, Belgium scientists published their researches to prove that Stevia is safe and has no side effect. Besides, scientists also say that the use of Stevia as food additives can contribute to health diet. However, the EU authorities still did not change their opinion of Stevia.

In the September of 2009, as a test place of the EU, France approved the use of Rebaudioside A (a composition of Stevia). Since that time, the Stevia market has been

developing in different areas. According to Mintel GNPD (Global New Products Database), in France, there were 12 new products containing Stevia launched in 2010 and in the first three quarters of 2011. This data shows the stability of Stevia new product launch. However, the French Stevia market has been limited because only Rebaudioside A with purity above 97 percent can be used as food additives. Other compositions in Stevia still cannot enter the food industry. Even there are limitations, the French Stevia market has experienced a fast growing period from September, 2009 to the June, 2010. At present, more than 50 percent French people know Stevia and its major difference with sugar. (Herbridge 2011.)

The third stage, that is, the overall approval of Stevia in the whole EU, just came at the mid November of 2011. Since the permission from European Commission, Stevia can use as food ingredient in whole European countries. As the changes, the Stevia market in France has not large business activities yet. Companies in the food industry are looking forward to the market change.

There are about 10 large companies in the Stevia market in the world. These companies all conduct international businesses and most of them want to enter the French Stevia market. Stevia companies produce food additives which are raw materials for food companies. There are internal economies of scale in the Stevia industry. It means when production is larger, companies are more competitive. At present, big companies in the Stevia industry are different with other small manufacturer. Some focus on the quality of products while some pay attention to provide technical service for customers. Therefore, the competition of the French Stevia market is not supposed to be very high.

The potential market size of the French Stevia market can be considerable. If Stevia can replace 35 percent of sugar in food additives industry, the demand for Stevia will be will be very high annually. The net profit of Stevia producers is between 5 percent and 12 percent according to the general manager of JL Stevia. In addition, the profitability can be

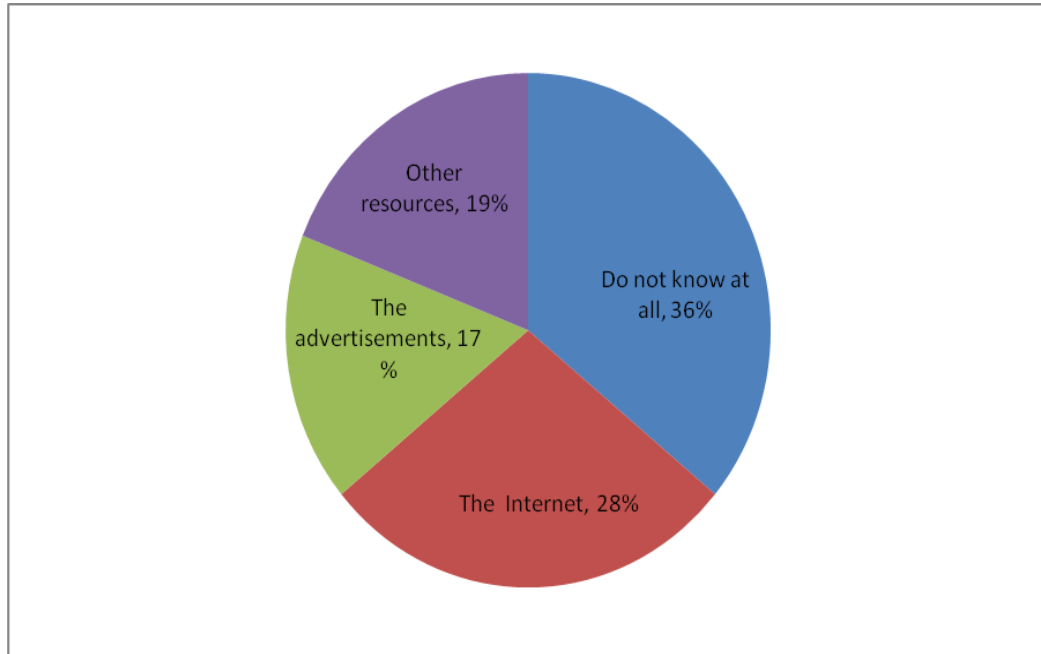
increased if companies can provide technology services and other products. The Stevia market in America and Japan has been growing sharply, and the same developing trend is considered to take place in France. Stevia is supposed to reach large market shares of sugar in the first three years after the overall approval of Stevia.

#### 4.3 Customer analysis and result

In order to conduct a good strategic marketing plan in France, it is significant to know French businessmen's and consumers' opinion of Stevia in France. The questionnaire is focused on get data concerning the awareness and acceptance of Stevia. Furthermore, data is collected the concerning consumers' satisfaction and purchasing intention of Stevia. Finally, the compared Stevia with Aspartame and Acesulfame-K, both of which are zero-caloric sweeteners is in order to find the comparative advantage of Stevia. The detailed questionnaire is presented in Appendix 2 of the thesis. The analysis of this questionnaire is as follows.

##### 4.3.1 Awareness of Stevia

Figure 7 shows how many respondents know about Stevia and how they get to know it. Since Stevia is a new product for France, the level awareness of it has effect on the market strategy designing that is discussed later in Chapter 5.



**Figure 7.** Awareness of Stevia

A total of 64 percent of the respondents knows Stevia from different sources. Most respondents learned about Stevia from the Internet and advertisements make up 17 percent. Other resources were also given as ways to know about Stevia, such as friends, magazines, and professional innovation conferences. Thus, the awareness of Stevia is high enough considering that the market of Stevia has been developed for only two years in France.

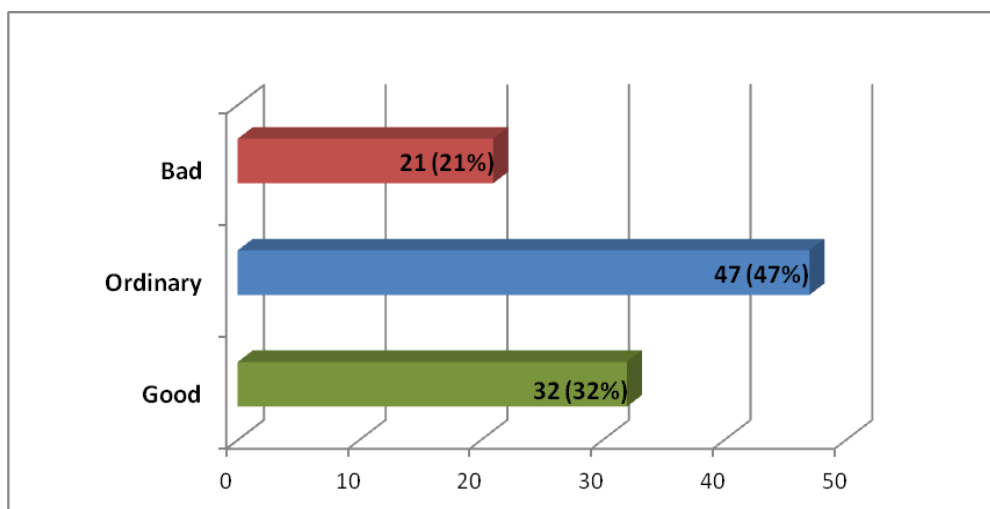
Considering the future strategic marketing plan for the case company, the strategy can improve the French market awareness of Stevia by two channels. The advertisement on big exhibitions and broad casting scientific research about Stevia on the Internet are the best choice. The recommendation is from which most of people get to know Stevia as is shown in Figure 7.

Since the French used to eat sweet food, they have paid attention to the natural and zero caloric sweetener. In 2008, Medical Research Council and the University of Cambridge

researched how much sugar people ate per day is too much. They found that obese people underestimated the amount of sugar they consumed each day. “Those who ate the most consumed as much as 207g a day – that is nearly 52 spoonfuls and four times the recommended daily limit - hidden in everyday foods” (Bird 2008). Therefore, Stevia has huge market demand if Stevia can substitute or even replace sugar in the food industry.

#### 4.3.2 Acceptance of Stevia

The impression of Stevia is divided into 3 levels – good, ordinary and bad. As it is not easy for the respondents to distinguish the general taste into more than three levels, it is hard to get more precise data. Figure 8 below display the overall evaluation of the taste Stevia. As it display in the graph, more than one third people consider the overall taste of Stevia is good. Nearly half of the respondents think Stevia has the ordinary taste compare with other sweeteners. Only 21 percent respondents do not like the taste of Stevia in the survey. The reason they do not like the taste of Stevia maybe that they have not yet got used to the new product. Other reasons related to the taste will be show in Figure 8. To sum up, the taste of Stevia is highly accepted by the most of the consumers, accounting for 79 percent. This market response shows the French is positive for the case company.



**Figure 8.** Overall evaluation of the taste of Stevia

In order to get more specific information of the acceptance of Stevia, three different tastes are evaluated by respondents. The question is how bitter taste, after taste, and sweet taste influence your option on the evaluation of Stevia. Specifically, the bitter taste is one of the main drawbacks of Stevia. Half of those who dislike Stevia are affected by the bitter taste of Stevia. If Stevia producers can cover or even remove the bitter taste. Stevia products will be more welcome in the market. The after taste is the second consideration of companies who want to substitute sugar for Stevia. However, there are also 12 respondents like Stevia even this bitter taste. Thus, the after taste in Stevia has both positive and negative sides. It is also a possibility to see the after taste as a unique selling point of Stevia.



**Figure 9.** Factors affecting evaluation

#### 4.3.3 Degree of satisfaction

Solubility and overall factors are chosen to research the degree of satisfaction with Stevia in France which divided into 5 levels from 1~5. The overall factors include all factors that may affect the Stevia's attraction, such as the convenience to use and stock Stevia,

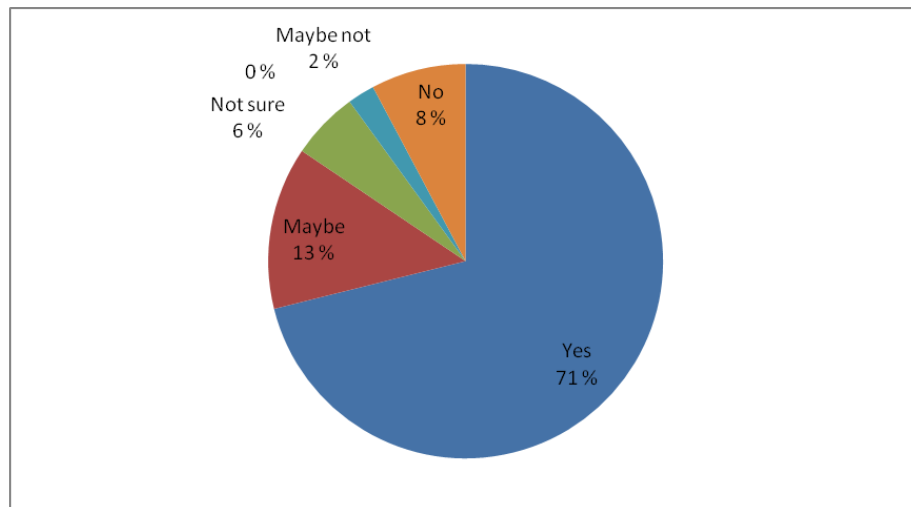
solubility and appearance of Stevia and so on. Since a total of 100 questionnaires were taken back, the percentage of people is the same as the real number. As Table 4 shows, the percentage of consumers who are satisfied with Stevia's solubility and the overall factors are 80 percent and 78 percent. That means the French market is satisfied with Stevia if this survey is objective.

**Table 4.**Degree of satisfaction

<b>Degree Factor</b>	<b>Perfect 5</b>	<b>Good 4</b>	<b>Satisfactory 3</b>	<b>Ordinary 2</b>	<b>Bad 1</b>
<b>Solubility</b>	14	25	41	18	2
<b>Overall (all factors)</b>	10	15	53	22	0

#### 4.3.4 Purchasing intention

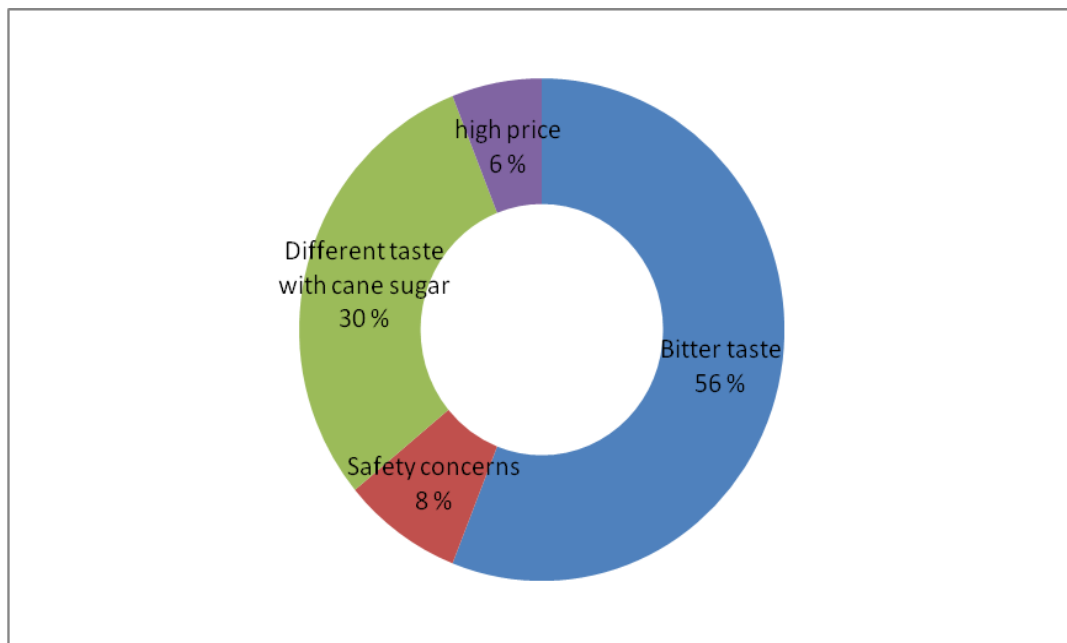
In order to know what does the businessman think about the Stevia from industry point of view. Figure 10 show the acceptance of Stevia as a purchase manager.



**Figure 10.** The willingness to buy Stevia products

The purchasing intention can reflect the demand. When being asked the question “If you saw the products which use Stevia as sweetener, would you like to buy it”, 71 percent of the answers were yes, it is a high purchasing intention of Stevia in French market. Another 19 percent people may buy Stevia products, it means they are still waiting and see the market signal. If Stevia has been accepted by a big group of customers, they also may be accept and use Stevia products. The rest people, accounting for 10 percent, do not want to buy Stevia products. Among the 10 percent, there are 2 percent people who definitely will not buy products has put Stevia. The reason why they made this decision maybe some health concerns of Stevia or strong loyalty of other sweeteners. There are also reasons that impede people to buy Stevia products.

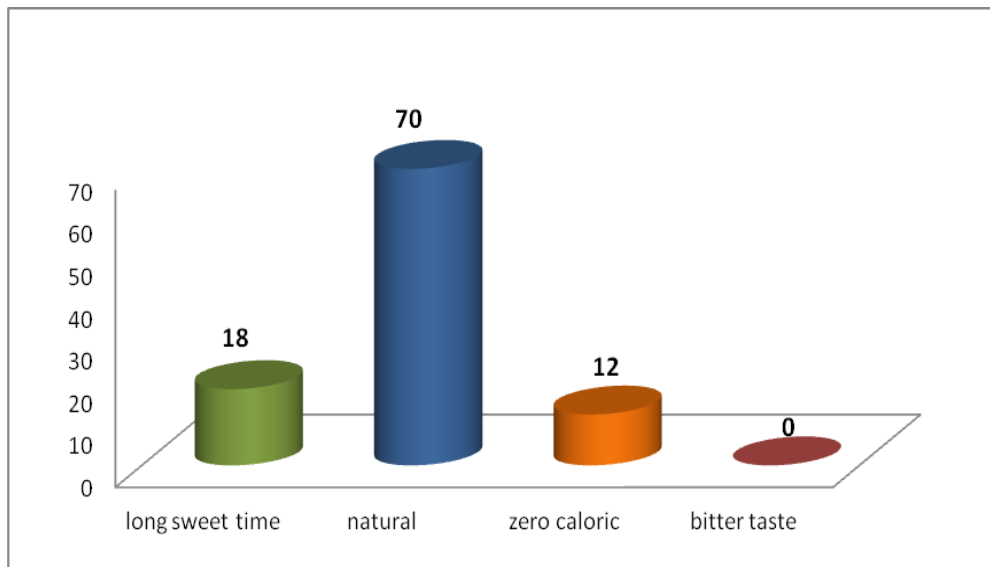
A question has been selected in order to figure out what these reasons are. The main reason is the bitter taste, and the secondary one is Stevia’s different taste with cane sugar. Only a small group of consumers have safety issues because Stevia is pure nature sweeteners. The rest 6 percent are scared by the “high price”.



**Figure 11.** Characteristics impeding people to buy Stevia



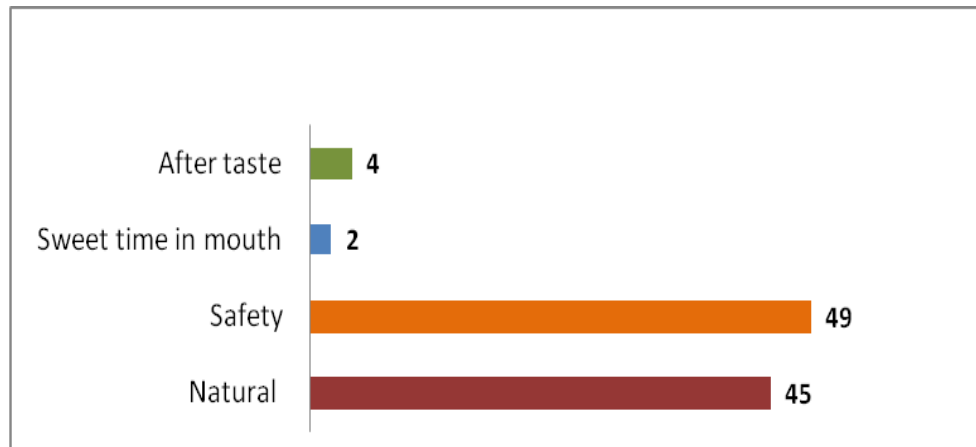
Figure 12 illustrates the main characteristics of Stevia that meet customers' need is natural. On the one hand, Stevia is produced from the Stevia leaf directly without any chemical reaction. It is all nature which consumers like nowadays. On the other hand, Stevia has been proved to be safe. Moreover, Stevia has got lot of attention with the rise in demand for low-sugar food. Stevia has a negligible effect on blood glucose. It is attractive as a natural sweetener to people on healthy diets.



**Figure 12.** Characteristics of Stevia that meet customers' need

#### 4.3.5 Statistics for comparison

Compared with other zero-caloric sweeteners, such as Aspartame and Acesulfame-K, the advantage characteristics that are Stevia has the natural and safety as is presented in 3.2.4. Although Stevia used to be argument in safety issues, the world has begun to see it differently and objectively from the last few years



**Figure 13.** Advantage characteristics over other zero-caloric sweeteners

#### 4.4 Competitors analysis and result

As I mentioned in sub-chapter 2.3.4, it is significant for the case company to know about its competitors compared to itself. In this section, I will present the interview analysis which concentrates on competitors and self-positioning for the case company. There are two interviewees in this thesis, i.e. Mr. Sun Jingwen, the general manager of JL Stevia, Ms Zheng, the marketing manager of the case company. Mr. Sun is in charge of all the daily business activities and has broad knowledge of the objectives and development of both the company and the market. However, Ms. Zheng is familiar with the specific plans and competitors in the Stevia market. Both of them have worked for the company for more than five years. Therefore, they have enough information and knowledge about the case company and the Stevia market.

There are two main purposes of the interviews. Firstly, the interviews were conducted to identify the company's market position and their previous marketing plans in the French Stevia market. The second objective is to understand the competitive level of the French Stevia market and their main competitors to face with. The interviews were conducted via telephone, and the answers and information were written down by the researcher during

the interviews. The interview questions can be found in Appendix 1. As the interviews were conducted in Chinese and much information is related with the business secrets of the case company, the full interview transcripts will not be presented in this thesis.

According to Mr. Sun, JL Stevia has been reconstructed from 2007 to 2009. Therefore, case company increases production capacity and upgrading technologies. The main customers at present are located in Asia and America, while new customers' relationships are being developed in France. The previous marketing plan in France is immature on the whole. Specifically, an important part of the plan is to attend different exhibitions. The exhibitions are supposed to have the following effects: forming customer resources and advertising. Furthermore, the company plans to invest more in business activities in the French market. In the first half year of 2012, JL Stevia is to launch Stevia in retail packages in France in order to further increase the brand awareness. At the same time, the company is contacting some authoritative laboratory in the EU and wants to do test about Stevia to prove its security for mass consumption. To summarize, the early phases of marketing plans aim at enhancing the awareness and acceptance of both Stevia and JL Stevia.

About the market position of JL Stevia, Mr. Sun, the general manager, is rather confident. When asked about the strengths and weaknesses compared with other competitors, he first pointed out that their technology and production capacity are both in the leading place of the market. Moreover, rather than selling the products, the direction of marketing strategy is to sell both service and products in France. Mr. Sun stated that "only by meeting the customers' real needs and help them solving the formula problem will we be able to triumph over others in both price and quality." Besides, the company has good innovation ability. The technical center of JL Stevia ranks the first in China and has collaboration with many professors and laboratories in the field. As no company is perfect, Mr. Sun also stated the company's weaknesses frankly and objectively. The biggest weakness of the company is lack of a strong team in international marketing.

Then, since JL Stevia is a family business, there are bottlenecks in human resources and development. Last but not least, the business administration also needs to be improved in order to enhance the capability of responding quickly to the market change.

The second interview also took place on 5th November 2011. In the meeting, the major competitive level and competitors of the case company of the industry were discussed in order to get a clear answer to the second objective mentioned above.

During the second interview, Ms. Zheng explained the competitions to be not very strong in the Stevia market with two reasons in France. On the one hand, Stevia is a new industry with only two years history. The market potential and market size are both considerable because Stevia is considered as the substitute for cane sugar, which is widely used in the whole food industry at present. However, the number of companies that can produce large amounts of Stevia is no more than 12 in the world. In addition, the total production capacity of these companies still cannot meet the predicted market demand. On the other hand, the needed climate for planting Stevia limits its producing areas. At present China is the biggest producer place for Stevia, and the biggest companies producing Stevia locate in Jiangxi and Shandong Province in China. Ms. Zheng implied that it is not easy for a startup to gain the technologies and capacity which can pose a threat to JL Stevia due to the company's huge scale and experience in the Stevia market.

When asked Ms. Zheng that who are the major competitors of JL Stevia. Ms. Zheng underlined Cargill, Pure Circle and GLG. According to Zheng, Cargill is the biggest marketer in the Stevia market whose retailing stevia product has already been the best-known product in this field. However, Cargill does not possess its own plants of large production capacity. Therefore, it can be a good potential cooperative partner of JL Stevia. Pure Circle is another competitor which locates right beside the case company. However, due to some technical problems, Pure Circle has suspended production now. Furthermore, the materials of Pure Circle are out of stock every year because of the large

market demand and its backward production capacity. Although with these problems, Pure Circle is still thought to be the leading company in the eyes of the mass because their quick responses to every market change in the Global Stevia market. Ms. Zheng also mentioned GLG as a competitor in the interview without putting much emphasis on it. GLG went into deficit this year because of the failure of new products launching. GLG declared that it owns plants which have a production of 10000 tons, but Ms. Zheng pointed out that the “10000 tons” only stands for its production capacity rather than the available sources of Stevia. As the sources of Stevia have a limited production every year in China, and most of the Stevia leaf is controlled by JL Stevia, Ms. Zheng believes that GLG can hardly have a good development.

In order to differentiate the products with competitors, JL Stevia wants to provide good technical services for customers rather than simply being a raw material producer.

## 5 DEVELOPING A STRATEGIC MARKETING PLAN FOR THE CASE COMPANY IN THE FRENCH STEVIA MARKET

In chapter 5, a strategic marketing plan will be developed based on the current situation of the French Stevia market and three analyses. A detailed internal analysis of JL Stevia helps to provide a clear situation of its management and operation. SWOT analysis is a summarized description of the internal and external environment of the case company's developing in the French Stevia market. Furthermore, market objectives are put after the analyses. Finally, suggestions of how the firm can develop its current strategic marketing plan for stevia in French market are presented in this chapter.

### 5.1 Current situation

The description of the current situation of the French Stevia market is based on the analysis of the questionnaire and the interviews as well as industry reports with authority. Three parts of the market will be analyzed, that is end-consumers, companies in the food industry and companies producing Stevia.

In France, consumers' awareness of Stevia is already of high level since scientific researches research into Stevia. The annual exhibitions in the food additives industry and the media cover also contribute to the satisfactory awareness. The level of acceptance of Stevia products has been increasing during the past two year's development in the French market. The satisfactory level of Stevia products has met difficulties to improve due to the taste of Stevia.

Companies in the food industry are the direct customers or potential customers of Stevia producers at the moment. The development of Stevia products is slow but stable. This is because the stevia just got permission for all European countries. Companies are actively

looking for Stevia suppliers and are cooperating with them to develop a new formula of products. As there was a successful in the America Stevia market and the food industry, French companies also have confidence in the substitution of Stevia for sugar.

Most Stevia providers actively study recipes for buyers' products. In order to provide better services and support, some leading companies in the Stevia industry, technology has been put much more than others. Companies have seen promising market potential in the French Stevia market. Therefore, they strive to extend production capacity and the production of Stevia leaf. Since market demand shows as expect, the Stevia leaf sources will become the main limitation of sales and profits. The competition for raw material of Stevia is becoming more and increasingly significant between companies.

To sum up, the current situation of the French Stevia market is stocking power for the increasing demand in expectation. The market potential is considerable and technical difficulties are being solved at a fast speed.

## 5.2 Internal analysis of the case company

The internal analysis of JL Stevia is based on its resources and abilities as is presented in the theoretical part (2.2.1). The resources are divided into tangible and intangible resources..

The resources of case company are to be evaluated as the first step to develop its competitive advantages. Firstly, the tangible resources, including financial and physical resources are analyzed. JL Stevia is a family business, most of capital sources are family member investments. Thus, case company's D/E ratio is low and financial structure is good. Besides, it is not difficult for JL Stevia to get loans from banks in China because of their good reputation in the local area. The profitability of case company is good in the Stevia industry and is growing steadily during the last 3 years because of entering to the

American and Japanese Stevia market. The physical resources of JL Stevia are high quality in the Stevia industry. Specifically, JL Stevia rebuilt the plants in 2007 and new equipment has been used since 2009. Moreover, the managers of the case company have worked hard to improve its technology by various ways, such as cooperating with the top laboratories in China. More Stevia Leaves are available because the case company has been trying to improve the production of raw materials for many years. The intangible resources of JL Stevia refer to its reputation, human resources and proprietary technology. JL Stevia is one of the biggest Stevia producers in the world. Their brand awareness is good enough in China and America, but still needs to be improved in France. It has a good relationship with employees, the Chinese local government and the community. As for human resources, the training and expertise of its marketing teams are not enough at present. JL Stevia has much expertise in the application of technology.

The second step is to test whether resources collaborate closely together within teams. This analysis is accomplished through identifying organizational capabilities in relation to each of the main functional areas. First of all, the corporate as a whole has done well in financial management, management of partnerships, resource management. However, the effectiveness in motivating and coordinating business units is not that satisfactory. The strategic control should be more detailed and has an effective monitoring and evaluation method. The case company's Research & Development department has the newest technologies and information availability. The manufacturing department can guarantee a large production capacity and highly responsive to Stevia orders. It is the same with the sales implementation department. As to the marketing sector, the scale and ability of the existing marketing team in France can hardly match their strategic plan.

### 5.3 SWOT analysis

This SWOT analysis for the case company is based on the analyses above and aims to give an overall picture of the case company in the French Stevia market. In this chapter,



information is collected through interviews, researches, analyses and personal experiences.

➤ The strengths of JL Stevia are as follows:

Firstly, JL Stevia controls 65 percent of the China production of Stevia leaf. As the competition for Stevia leaf becomes increasingly sharp, a stable and large production of Stevia leaf is of course a huge advantage in the industry.

Secondly, the case company has a production capacity of 4000 tons Stevia annually, which can meet the huge demands of Stevia in the near future. The large production capacity means that the case company can complete the process of producing Stevia by themselves.

Thirdly, the location of JL Stevia is in Jiangxi province in central China which is the main production place of Stevia. JL Stevia can guarantee low labor cost and the raw material availability. Just beside JL Stevia locates Pure Circle – another leading company in the Stevia market. Therefore, the case company can always take advantage of the information and technology spillover.

Fourthly, the technology of the case company is state-of-the-art. The case company has collaborations with top laboratories of this field in China and is equipped with great innovation ability.

➤ The weaknesses of JL Stevia as follows:

Firstly, the company lacks of a strong marketing team in France. Thus, their ability of information collecting and speed of market reacting is limited. Furthermore, they cannot implement a strategy on a large scale in France quickly.

Secondly, the reputation of JL Stevia is not good enough. Competitors such as Pure Circle and GLG are more well-known than the case company thanks to advertisement and exhibitions. When buyers are seeking for Stevia providers, it is common that they choose a familiar brand in order to reduce business risk and guarantee the quality of Stevia.

Thirdly, JL Stevia is a family firm. Most of the high positions such as CEO are occupied by family members. Therefore, the case company has limitation in their human resources. The administration of the case company is not very scientific either.

➤ The opportunities of JL Stevia as follows:

Firstly, the European Commission had approved the overall use of Stevia in the food industry. With this overall approval, nearly every composition of Stevia can be used as food additives in France. Moreover, the overall approval also means that the authority's acceptance of Stevia, which will surely enhance the confidence of companies and end-consumers.

Secondly, there are many international exhibitions of food additives. Many French companies in the food industry will participate and look for better and cheaper kinds or brands of food additives. As the case company need to be further promoted, JL Stevia can use these opportunities and attend more exhibitions so as to gain better reputation and find more customers as.

Thirdly, companies that need sweeteners are looking for a Stevia supplier at the same time. Since they have a positive view of the Stevia market potential and are attracted by this cheaper natural new sweetener.

➤ The threats of JL Stevia as follows:

Firstly, local Stevia companies cooperate to improve the supply chain of Stevia in France. Once the local Stevia firms successfully make their price lower than the case company or can provide better service, they will pose a threat to the case company. Since the local Stevia companies are familiar with the French market and understand local buyers' behavior, they might become strong competitors for JL Stevia in the future.

Secondly, American and European companies may cooperate with top laboratories in the United States and Europe which have better innovation capability than the case company's R&D center. With new technologies, these competitor companies are better satisfying customers' demands.

#### 5.4 Market objectives

Since the French Stevia market is supposed to experience a big change and form a new industry, long-term marketing plans and objectives are not suitable. After the interviews of the managers of the case company, the one year market objectives are established based on the French Stevia market information and the above analyses.

First of all, in the food additives industry of France, the market objective JL Stevia is to replace 15 percent sugar. As for the market of retail Stevia, which is not the major target market for the case company, the objective is to gain a market share of 10 percent. The reason why attending the retail Stevia market is that we want to promote the brand awareness and increase the acceptance of the products from JL Stevia. Therefore, it is not supposed to compete for a big market share, and 10 percent is considered enough. For the first year, the profits objective in the French Stevia market is 10 million USD.

Another market objective is an intangible one about the reputation and brand awareness of JL Stevia. After a year's endeavor, the case company is different itself from other brands by providing high quality technology services rather than just being a big Stevia

supplier.

### 5.5 Strategic marketing plan developed for the case company

As for the strategic marketing plan developed for JL Stevia, quick and precise respond to the market is of high importance. According to the SWOT analysis, it is essential for the case company to build a good marketing team that can accomplish the goals in the French Stevia market as soon as possible. With this team, the case company is supposed to collaborate with some top laboratories in France in order to enhance the brand awareness and reputation of its products. They should continue to attend exhibitions in food additives industry in France and even the whole Europe in which French food companies will go to look for raw materials. Some advertisements are advised to put on suitable situations. Besides, the case company should quickly launch their retail Stevia in the French market before the end of February in 2012. In addition, the French marketing team should actively seek for potential customers and provide them with good technology services. More specific marketing plans are developed according to different kinds of Stevia products that JL Stevia will launch.

In order to successfully fulfill the plans, it is essential to have monitoring and evaluation for JL Stevia. The advised monitoring and evaluation for the developed strategic marketing plan will be divided into three dimensions.

The first dimension is the overall monitoring and evaluation for the general market objectives presented above. In this dimension, the case company is to compare real performance against the objectives set using several indicators such as sales, profits, and market share. Specifically, sales and profits will be analyzed and market share will be calculated. This kind monitoring and evaluation will be implemented quarterly.

The second dimension is more specific and detailed, which monitors and evaluates the specific business activities. It tracks the effects of daily activities such as promotions and

advertisements by measuring customer's awareness of advertising messages or similar promotions. This dimension of monitoring is conducted in accordance with the specific plans of business activities.

The third dimension is devised to response quickly to the market change. For example, whether the customer profile has changed after a certain period will be identified in this dimension. Market objectives will be adjusted slightly according to this monitoring dimension.

## 6 CONCLUSION

The final chapter comes to the conclusion of the thesis on the basis of market researches under the title of developing a strategic marketing plan in the French Stevia market for the case company. This chapter describes the overall findings of the research, given answers to the research question, and analyzes the limitation of this study as well as gives suggestions for future research.

### 6.1 Conclusion

This thesis presents the strategic marketing plan in the French Stevia market for JL Stevia. The strategic marketing plan is designed in accordance with the survey of the current situation of the French Stevia market. The internal and external analysis of the case company, the customer and competitor analysis as well as shaped by the company's market objectives. The strategic marketing plan suggests that high quality Stevia together with satisfactory technology support could be the main products of JL Stevia in France. Since the company has abundant sources of Stevia leaf and a big operating scale. The case company could design different series of Stevia products with a wide product range that can be handled for the French market. In addition, further promotions and advertisements are in order to build the image of the best and biggest Stevia producer in the world for JL Stevia in the eyes of French customers. The strategic marketing plan is compiled to improve the case company's competitiveness for the French Stevia market.

The first research question aimed to give an insight to the current French Stevia market before the company's implementing the strategic marketing plan. The question was formulated in the following way:

1. What is the current situation of the Stevia market in France for the case company?

To be able to answer this question, 100 questionnaires were distributed at the Anuga fair in Cologne Germany in October, 2011 in order to conduct the customer analysis in France. Information about the macro-environment of the French Stevia market was collected through the Internet and the articles related to the France market in Stevia industry reports in China. The current situation is described in 5.1.

## 2. What are the factors affect the development of the Stevia business in France?

Both internal and external factors should be considered when considering the factors that affect the development of the Stevia business in France. Firstly, the factors that impact on consumers' decisions and the analysis for the 100 French businessmen in the food industry were presented in the previous chapter, which serve as valid evidence of the role that customer factors play in the Stevia business. Specifically, customer factors are their awareness, acceptance and satisfaction with Stevia, which can be further affected by the taste and price of Stevia as well as scientific reports and advertisement. Moreover, some external factors such as the politics of government, the economic condition of France and the technology development of the Stevia industry also have impacts on the development of the French Stevia business. Thirdly, the competition situation and market segmentation condition should be taken into account when looking at the development of French Stevia industry. To sum up, the main factors that affect the development of French Stevia business are the quality of Stevia products and services, economy, political change in France and technology development in the global Stevia industry.

## 3. What are the main challenges will the case company meet when implementing the strategic marketing plan in France?

A main challenge that the case company may meet when implementing the strategic marketing plan is that its existing marketing team in France cannot conduct big business

activities in order to achieve the market objectives.

There are also some big challenges that may face. According to the above analyses, Stevia market is closely related to the technology development. Thus, if a technology breakthrough arises, the case company will have to change their marketing plans. Moreover, there are also possibilities that the formula of JL Stevia developed cannot meet the demand of customer companies, resulting in chargeback and affecting the reputation. In addition, if the prices of sugar or low-caloric sweeteners decrease sharply, the Stevia market will be significantly affected. Moreover, the case company will have to stop implementing the previous strategic marketing plan.

## 6.2 Limitations

During the development of the thesis, there were still some difficulties and problems come in the way. For the theoretical part in Chapter 2, the literature discussing strategic marketing plans is extensive and therefore it was difficult to choose a most proper theory to match the analysis for the French Stevia market and the case company. In addition, the detailed information of the current French Stevia market is also difficult to find. Therefore, the relevant documents and materials of the current situation were not easy available. Moreover, since the case company does not have a good international marketing team, the two interviewed managers of the case company cannot provide more detailed market information in France. Thus, most data used to describe the current situation are based on the Stevia industry reports of China as well as my personal knowledge. Besides, by attending the Anuga fair with the case company, I managed to increase my understanding of the trends of the French Stevia market.

The reliability of the results of the questionnaire and interviews are also being questioned in the above chapter 3.1. Furthermore, when devising the strategic marketing plan, there is little historical data available. Therefore, the market objectives and monitoring should



be tracked closely in the implementing process.

### 6.3 Suggestions for future research

This thesis is a study of developing a strategic marketing plan for the French market. A few suggestions for future research emerged up after the research and analyses. First of all, thorough customer segmentation and strategic marketing plans in other European Countries would be in the company's best interest. Secondly, for the marketing plans to be developed in other European countries new market researches will have to be conducted, especially in customer and competitor analysis. The differences of market situation and macro-environment are necessary to keep in mind. Thirdly, companies that are engaged in international markets need a systematic method to develop a strategic marketing plan in foreign countries, which would be an interesting and practical topic.

## REFERENCES

### Printed

- Aaker, David 2001. Strategic Market Management. 6<sup>th</sup> Edition. John Wiley & Sons Ltd., New York.
- Aaker, David A. & McLoughlin, D. 2010. Strategic Market Management – Global Perspectives. 10<sup>th</sup> Edition. John Wiley & Sons Ltd., West Sussex.
- Baker, Michael 2008. The Strategic Marketing Plan Audit. Cambridge Strategy Publications Ltd., Cambridge.
- Denzin, NK & Lincoln, YS. 1994. Introduction: Entering the field of qualitative research. NK Denzin and YS Lincoln.
- Kotler, Philip & Armstrong, Gary 2006. Principles of Marketing. 11<sup>th</sup> Edition. Pearson Education Ltd., London.
- Kotler, Philip & Keller, Kevin L. 2009. Marketing Management. 13<sup>th</sup> Edition. Pearson Education Ltd., London.
- Rayport, Jeffrey F. & Jaworski, Bernard J. 2001. Introduction to E-Commerce. 2<sup>nd</sup> Edition. McGraw-Hill Companies, Inc., New York.
- Sandhusen, Richard L. 2010. Marketing (Barron's Business Review). 3<sup>rd</sup> Edition. Barron's Educational Series Inc., New York.
- Zikmund, William G. & Griffin, Mltch 2010. Business Research Method. 8th Edition. Nelson Education Ltd., Canada.

**Not Printed**

Admin 2011. Using Effective Customer Relationship Management. Business Success Training. Read on 7<sup>th</sup> December 2011.

<<http://www.crmsuccessadvice.com/?author=1>>

Bird, Linda 2008. How Much Sugar do you Really Need? Read on 30<sup>th</sup> October 2011.

<<http://www.netdoctor.co.uk/dietandnutrition/toomuchsugar.htm>>

Bright, Doug 2008. What is Customer Analysis? Read on 10<sup>th</sup> November 2011.

<<http://istobe.com/blog/2008/06/09/what-is-customer-analysis/>>

Guy, Montague-Jones 2011. French to Receive Extension for Stevia Use Ahead of EU approval. Read on 30<sup>th</sup> October 2011.

<<http://www.foodnavigator.com/On-your-radar/Stevia-in-Europe/French-to-receive-extension-for-stevia-use-ahead-of-EU-approval>>

Hausman, Angela 2011. Definition of Marketing Series: Marketing Strategy. Read on 31<sup>st</sup> October 2011.

<<http://hausmanmarketresearch.org/definition-of-marketing-series-marketing-strategy>>

Herbridge 2008. Internal Reference of August 2008. Read on 10<sup>th</sup> November 2011.

<<http://www.herbridge.com>>

Herbridge 2011. Internal Reference of September 2011. Read on 10<sup>th</sup> November 2011.

<<http://www.herbridge.com>>

JL Stevia 2010. Company Introduction. Read on 28<sup>th</sup> October 2011.

<<http://www.jlstevia.com/English/>>

JL Stevia 2010. Product Introduction. Read on 28<sup>th</sup> October 2011.

<<http://www.jlstevia.com/English/>>

Mehta, S 2000. Marketing Strategy. Read on 15<sup>th</sup> November 2011.

<[www.shsu.edu/~mkt\\_ssm/mkt570/Chap04.ppt](http://www.shsu.edu/~mkt_ssm/mkt570/Chap04.ppt)>

Mowrey, Daniel 1992. Life with Stevia: How Sweet It Is!. Holistic Health Reforms Inc.

Read on 7, December 2011. <<http://www.healthfree.com/stevlife.html>>

My Strategic Plan 2010. Internal and External Analysis. Read on 5<sup>th</sup> November 2011.

<<http://mystrategicplan.com/resources/internal-and-external-analysis/>>

NSW Government 2010. What is Marketing? Read on 13<sup>th</sup> November 2011.

<<http://toolkit.smallbiz.nsw.gov.au/part/1/1/3>>

Shapiro, Janet 2007. Monitoring and Evaluation. Read on 12<sup>th</sup> November 2011.

<<http://www.civicus.org/new/media/Monitoring%20and%20Evaluation.pdf>>

Tutor2u 2010. Strategy: SWOT analysis – introduction. Read on 15<sup>th</sup> November 2011.

<[http://tutor2u.net/business/strategy/SWOT\\_analysis.htm](http://tutor2u.net/business/strategy/SWOT_analysis.htm)>

Ward, Susan 2007. The Key to Marketing: The Marketing Plan. Read on 5<sup>th</sup> November

2011. <<http://sbinfocanada.about.com/cs/marketing/a/marketingplan.htm>>

WIOMSA 2010. Monitoring and Evaluation Principles. Read on 13<sup>th</sup> November 2011.

<[http://www.wiomsa.org/mpatoolkit/Themesheets/G1\\_Monitoring\\_and\\_evaluation\\_principles.pdf](http://www.wiomsa.org/mpatoolkit/Themesheets/G1_Monitoring_and_evaluation_principles.pdf)>

## Interview questions

## Appendix 1

1. What is the situation of your company now? (major market, customers, growth)
2. How to you think the situation of the Stevia market in France at present?
3. What kind of marketing strategies were be used to promote Stevia in France?
4. What is your marketing plan in French market now?
5. What are the advantages and disadvantages of Stevia compared to other sweeteners in your opinion?
6. What are the strengths and weaknesses of your company in your mind?
7. What do you think are the three biggest competitors producing Stevia?
8. What is your aim in the French market (market share, turnover, profit, reputation)?
9. Who are your target direct customers in France now and in the future?

Name	Position	Company Name	Interviewed Time	Interviewed Date
Sun, Jingwen	General Manager	Ganzhou Julong High-tech Industrial Co., Ltd	10:00-10:40	5 <sup>th</sup> Nov, 2011
Zheng, Mei	Marketing Manager	Ganzhou Julong High-tech Industrial Co., Ltd	14:00-15:00	5 <sup>th</sup> Nov, 2011

**Nationality:****Date:****1.** Do you know Stevia? If yes, how did you learn to know it?**2.** What do you think of taste of Stevia?☐ Good   ☐ Ordinary   ☐ Bad**3.** Please choose the alternative below that best describes your opinion:

The bitter taste	1	2	3	4	5	Very Strong
The after taste	1	2	3	4	5	Long time
The sweet taste	1	2	3	4	5	Perfect

**4.** Please give the grade for Stevia

Solubility	1	2	3	4	5	Perfect
Overall	1	2	3	4	5	Perfect

**5.** If you saw the products which use Stevia as sweetener, would you like to buy it?☐ Yes   ☐ Maybe   ☐ Don't know   ☐ Maybe not   ☐ No**6.** Which characteristics of Stevia have met your needs?☐ Long sweet time   ☐ Natural   ☐ Zero Caloric   ☐ Bitter taste**7.** Which characteristic of Stevia will impede you from buying Stevia?☐ Bitter taste   ☐ Safety   ☐ Different taste with cane sugar   ☐ High price**8.** Compared with aspartame and Acesulfame-K, which characteristics do you think Stevia is better?

☐ Natural taste ☐ Feeling of sweet time ☐ After taste ☐ Safety